

REMARKS:

Claims 1-16 are presented for the Examiner's consideration.

The Specification is objected to for minor clerical errors. Claims 1-12 stand rejected under 35 U.S.C. § 112, second paragraph. Claims 1-16 stand rejected under 35 U.S.C. § 102(b) over U.S. Patent No. 5,689,652 to Lupien et al. ("Lupien"). Reconsideration and withdrawal of the outstanding rejections is respectfully requested in light of the above amendments and following remarks.

OBJECTION TO THE SPECIFICATION:

The Specification is objected to for minor clerical errors. By this Amendment, the Specification has been amended to correct these errors. Reconsideration and withdrawal of the objection is respectfully requested.

REJECTION UNDER 35 U.S.C. § 112:

Claims 1-12 stand rejected under 35 U.S.C. § 112, second paragraph.

The only basis provided in the present Office Action for the present rejection of claims 1-12 under the second paragraph of Section 112 is an allegation that in claim 1 "it is not clear who is providing a reserve price corresponding to a maximum purchase price and minimum sales price."

It is respectfully pointed out that, in rejecting a claim under the second paragraph of 35 U.S.C. 112, it must be established that one of ordinary skill in the art, when reading the claim in light of the supporting specification, would not be able to ascertain with a reasonable degree of precision and particularity the particular area set out and circumscribed by the claim.¹ Thus, in order to establish a *prima facie* case of indefiniteness under the second paragraph of Section 112, a burden must be met of providing a specific rejection of claim terminology **and reasons why** the terminology is

¹ see *Ex parte Wu*, 10 USPQ 2d 2031, 2033 (BPAI 1989).

indefinite or would not be readily understood by those of skill in the art. In the present case, no explanation has been provided as to why claims 1-12 would be considered indefinite or would not be readily understood by those of skill in the art. Thus, the present Office Action has failed to set forth a proper *prima facie* case of indefiniteness.

In addition, it is respectfully pointed out that rejecting the claims as indefinite for lack of additional limitations that would specify a particular source of information or data in the claims is improper since the breadth of a claim is not to be equated with indefiniteness.² Therefore, the present rejection of claims 1-12 under the second paragraph of Section 112 is improper and should be withdrawn.

Accordingly, it is respectfully requested that the rejection of claims 1-12 under the second paragraph of 35 U.S.C. 112 be reconsidered and withdrawn.

REJECTION UNDER 35 U.S.C. § 102:

Claims 1-16 stand rejected under 35 U.S.C. § 102(b) over Lupien. This rejection is respectfully traversed.

Lupien fails to disclose all of the limitations of claims 1-16, as discussed below. Therefore, Lupien cannot anticipate claims 1-16.

A claim is anticipated by a prior art reference only if the reference discloses or inherently describes every detail of the claim. According to the MPEP, "[a] claim is anticipated only if *each and every element* as set forth in the claim is found, either expressly or inherently described, in a single prior art reference."³ Also according to the MPEP, "[T]he identical invention must be shown in as *complete detail* as is contained in the ... claim."⁴

² MPEP 2173.04 (8th ed.)

³ MPEP 2131, citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987), emphasis added.

⁴ MPEP 2131, citing *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989), emphasis added.

Claims 1-12

Claim 1 recites:

A method for optimizing prices at which products are sold in an automated marketplace, comprising the steps of:
generating a matrix of all possible buyers and sellers;
for each buyer, providing a reserve price corresponding to a maximum purchase price;
for each seller, providing a reserve price corresponding to a minimum sales price;
calculating a utility value for each pairing of buyers and sellers;
selecting a unique pairing of buyers and sellers that maximizes total utility;
calculating a buyer optimal allocation of the total utility for all buyers and sellers in a stable manner;
calculating a seller optimal allocation of the total utility for all buyers and sellers in a stable manner; and
for each pair in the unique pairing, selecting a transaction price that allocates the utility between that seller and that buyer.

Lupien fails to disclose several of these limitations. For example, Lupien fails to disclose the claimed providing of reserve prices corresponding to maximum and minimum prices. Instead, Lupien discloses a grid, wherein one dimension lists several prices, and wherein a density level is provided corresponding to each price. The density level provides an indication of a degree of satisfaction for the given price at a particular quantity. However, there is no indication of an actual minimum sales price and a maximum purchase price. It should be noted that several of the dependent claims (e.g., claims 2-6) include further limitations that are more specific with respect to the reserve prices. It follows then that since Lupien fails to disclose the broader limitation in claim 1, that Lupien also fails to disclose these more specific limitations.

There remain still further distinctions of claim 1 over the disclosure of Lupien. For example, Lupien is silent with respect to calculating a buyer optimal allocation of the total utility for all buyers and sellers in a stable manner and calculating a seller optimal allocation of the total utility for all buyers and sellers in a stable manner. It should be noted that if such further distinctions are not specifically mentioned herein, it should not be treated as a concession that they do not exist.

Based on the standards set forth in the MPEP and cited above, the disclosure of Lupien is *not* sufficient for establishing that Lupien anticipates claim 1 because Lupien clearly fails to disclose all of the limitations of claim 1 in as *complete detail* as is contained in claim 1. Therefore, it is respectfully submitted that Lupien cannot anticipate claim 1, or claims 2-12, which depend from claim 1.

Claims 13-16

With respect to independent claim 13, this claim includes limitations similar to those discussed above in connection with claim 1. Thus, the arguments presented above in connection with claim 1 apply equally to claim 13, as well as its dependent claims.

For the reasons set forth herein, the Applicants submit that claims 1-16 are not anticipated by Lupien. The Applicant further submits that claims 1-16 are in condition for allowance. Therefore, the Applicant respectfully requests that the rejection of claims 1-16 be reconsidered and that claims 1-16 be allowed.

THE LEGAL STANDARD FOR ANTICIPATION REJECTIONS UNDER 35 U.S.C. § 102:

The following sets forth the legal standards for "anticipation."

The events that can lead to anticipation can be divided into the following seven categories, all defined by statute:

1. Prior Knowledge: The invention was publicly known in the United States before the patentee invented it.

2. Prior Use: The invention was publicly used in the United States either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.

3. Prior Publication: The invention was described in a printed publication anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.

4. Prior Patent: The invention was patented in another patent anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his application.

5. On Sale: The invention was on sale in the United States more than one year before the patentee filed his application.

6. Prior Invention: The invention was invented by another person in the United States before the patentee invented it, and that other person did not abandon, suppress or conceal the invention.

7. Prior U.S. Patent: The invention was described in a patent granted on a patent application filed in the United States before the patentee made the invention.

Each of those seven events has its own particular requirements, but they all have the following requirements in common:

1. Anticipation must be shown by clear and convincing evidence.
2. If one prior art reference completely embodies the same process or product as any claim, the product or process of that claim is anticipated by the prior art, and that claim is invalid. To decide whether anticipation exists, one must consider each of the elements recited in the claim and determine whether all of them are found in the particular item alleged to be anticipating prior art.
3. There is no anticipation unless every one of those elements is found in a *single* prior publication, prior public use, prior invention, prior patent, prior knowledge or prior sale. One may not combine two or more items of prior art to make out an anticipation. One should, however, take into consideration, not only what is expressly disclosed or embodied in the particular item of prior art, but also what inherently occurred in its practice.
4. There cannot be an accidental or unrecognized anticipation. A prior duplication of the claimed invention that was accidental, or unrecognized, unappreciated, and incidental to some other purpose is not an invalidating anticipation.

Those four requirements must be kept in mind and applied to each kind of anticipation in issue. The following additional requirements apply to some categories of anticipation.

1. Prior Knowledge: An invention is anticipated if it was known by others in the United States before it was invented by the patentee. "Known," in this context, means known to the public. Private knowledge, secret knowledge or knowledge confined to a small, limited group is not necessarily an invalidating anticipation. Things that were known to the public only outside the United States are not invalidating anticipation.

2. Prior Use: An invention is anticipated if it was used by others before it was invented by the patentee, or more than one year before the patentee filed his patent application. "Use," in this context, means a public use.

3. Prior Publication: A patent is invalid if the invention defined by the claims was described in a printed publication before it was invented by the patentee or more than one year prior to the filing date of his application. For a publication to constitute an anticipation of an invention, it must be capable, when taken in conjunction with the knowledge of people of ordinary skill in the art, of placing the invention in the possession of the reader. The disclosure must be enabling and meaningful. In determining whether the disclosure is complete, enabling, and meaningful, one should take into account what would have been within the knowledge of a person of ordinary skill in the art at the time, and one may consider other publications that shed light on the knowledge such a person would have had.

4. Prior Patent: If the invention defined by the claims was patented in the United States or a foreign country, either before it was invented by the inventor or more than one year before the inventor filed his patent application, then the invention was anticipated. The effective date for this type of anticipation is the date on which two things co-existed: (i) the owner of the referenced patent had the right to enforce that patent; and (ii) the reference patent was available to the public. What was "patented" in the reference patent is determined by what is defined by its claims, interpreted in the light of the general description.

5. On Sale: A patent is invalid if the invention claimed in it was on sale in the United States more than one year prior to the application filing date.

6. Prior Invention: If the invention defined by the claims was invented by another person, in the United States, before it was invented by the inventor, and that other person did not abandon, suppress, or conceal the invention, the invention lacks novelty. A prior invention, even if put in physical form and shown to produce the desired result, is not an invalidating anticipation unless some steps were taken to make it public. However, it is not necessary that the inventor had knowledge of that prior invention.

7. Prior U.S. Application: A patent is invalid for lack of novelty if the invention defined by the claims was described in a United States patent issued on a patent application filed by another person before the invention was made by the inventor. The effective date of a prior application for purposes of this issue is the date on which it was filed in the United States. Foreign-filed patent applications do not apply. If the issued United States patent claims the benefit of more than one United States application, its effective date as an anticipation is the filing date of the first United States application that discloses the invention claimed in that referenced patent.

Experimental Use Exception: The law recognizes that it is beneficial to permit the inventor the time and opportunity to develop his invention. As such there is an "experimental use" exception to the "public use" and "on sale" rules. Even though the invention was publicly used or on sale, more than one year prior to the application filing date, that does not invalidate the patent, provided the principal purpose was experimentation rather than commercial benefit. If the primary purpose was experimental, it does not matter that the public used the invention or that the inventor incidentally derived profit from it.

When a public use or sale is shown, the burden is on the inventor to come forward with evidence to support the experimental use exception. Only experimentation by or under the control of the inventor qualifies for this exception. Experimentation by a third party, for its own purposes, does not qualify for this exception. Once the invention leaves the inventor's control, its use is a public one, even if further experimentation takes place.

The experimentation must relate to the claimed features of the invention. And it must be for the purpose of technological improvement, not commercial exploitation. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of experimentation. A test done primarily for marketing, and only incidentally for technological improvement, is a public use.

CONCLUSION:


In view of the foregoing remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

The undersigned hereby authorizes the Director to charge any fees that may be required, or credit any overpayments, to **Deposit Account No. 500777**. If an extension of time is necessary for allowing the Amendment to be timely filed, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) to the extent necessary. Any fee required for such Petition for Extension of Time should be charged to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

6/13/2006
Date


James E. Walton, Registration No. 47,245
Daren C. Davis, Registration No. 38,425
Brian E. Harris, Registration No. 48,383
Michael Alford, Registration No. 48,707
Law Offices of James E. Walton, P.L.L.C.
1169 N. Burleson Blvd., Suite 107-328
Burleson, Texas 76028
(817) 447-9955 (voice)
(817) 447-9954 (facsimile)
jim@waltonpllc.com (e-mail)

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